

ABC WORLD NEWS TONIGHT

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SECRET FUNDS/  
GENERAL

BRINKLEY: An Air Force Major General, Richard Collins, years ago was in West Germany in charge of handling secret payments of money for the CIA to intelligence sources. Now he is accused of handling some of the money into his own bank account in Switzerland. He denies it. ABC's John McWethy, at the Pentagon.

MCWETHY: Richard Collins retired from the Air Force in 1978 with the rank of Major General. After he left the service, government investigators discovered that Collins allegedly had diverted \$445,000 in funds that were supposed to be used for financing covert operations in Europe. Pentagon sources claim that Collins, in his job as Director of Plans and Policy for America's European command in Stuttgart, West Germany, was in essence the banker for secret operations of the CIA and military. Sources say he handled millions of dollars in numbered Swiss bank accounts to pay informants, defectors, other intelligence sources, and to buy Soviet weapons. Government investigators allege that Collins switched money from the government's secret accounts to his own account, paying out the principal as he was supposed to, but pocketing the interest. Sources claim that Collins was offered a deal--return the money and all charges would be dropped. Collins turned down the offer, according to one official, who speculated that Collins must have believed the government would not try him in open court because of the sensitivity of the operations he bankrolled in West Germany for nearly four years. STEPHEN BRONIS (Collins' Attorney): ...That we believe that the evidence will establish that that amount of money the government claims was misappropriated or the acts of an embezzler, were really used by General Collins for the precise purposes for which he was made custodian of the account.

MCWETHY: The general's attorney also claimed that his client had not been offered a deal by the government, and when the evidence was laid out in court, it would prove that the general had not diverted even a penny of the secret funds. John McWethy, ABC News, the Pentagon.